



# NEWS RELEASE

## CALIFORNIA SECRETARY OF STATE

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### **Three Proposed Initiatives Enter Circulation**

1. *Corporate and Commercial Property Tax Increase. Sales Tax Reduction. Initiative Constitutional Amendment and Statute.*
2. *Corporate Taxation. Transportation and Road Maintenance Funding. Initiative Statute.*
3. *Corporate and Commercial Property Tax Increase. Reduction in Sales Tax. Initiative Constitutional Amendment and Statute.*

SACRAMENTO --- The Secretary of State's Office announced yesterday that the proponents of three new initiatives have received clearance to begin collecting petition signatures for their measures.

The Attorney General's official titles and summaries are as follows:

**CORPORATE AND COMMERCIAL PROPERTY TAX INCREASE. SALES TAX REDUCTION. INITIATIVE CONSTITUTIONAL AMENDMENT AND STATUTE.  
Secretary of State #1120; Attorney General #SA2005RF0033.**

Creates taxes on corporations and commercial property; reduces state sales/use taxes by equivalent amount. Amends Proposition 13 to tax commercial property at current market value. Creates oil extraction tax. Increases tax on insurers' premiums. Increases general corporate income tax/alternative minimum corporate tax. Establishes graduated tax on "S" corporation income over \$100,000. Limits carryover credits available to reduce corporate taxes. Limits corporate tax deductions for energy drilling/development costs. Subjects certain foreign business income to state taxation. Requires state budget summary in statewide ballot pamphlets.

Summary of estimate by Legislative Analyst and Director of Finance of fiscal impact on state and local governments: Potential increase in local government revenues of about \$1.3 billion annually coupled with increased state spending obligations of a similar amount. Increased property tax and income tax payments by businesses, offset by a commensurate amount of sales tax reductions for individuals and businesses.

The proponents, Roberta B. Johansen and James C. Harrison, both of Remcho, Johansen and Purcell, must collect 598,105 signatures of registered voters, equal to eight percent of the total votes cast for governor in the 2002 gubernatorial election, in order to qualify this measure. Their 150-day deadline to circulate petitions is August 19, 2005. The initiative proponents can be reached at 510-346-6200.

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**CORPORATE TAXATION. TRANSPORTATION AND ROAD MAINTENANCE FUNDING. INITIATIVE STATUTE.**

**Secretary of State #1121; Attorney General #SA2005RF0042.**

Increases state corporate taxes to fund public transportation and road maintenance costs. Creates oil extraction tax. Increases the tax on insurers' premiums. Increases general corporate income tax/alternative minimum corporate tax. Establishes a graduated tax on "S" corporation income over \$100,000. Limits carryover credits available to reduce corporate taxes. Limits corporate tax deductions for energy drilling and development costs. Subjects certain foreign business income of multinational jurisdictional corporations operating in California to state taxation. Requires publication of a state budget summary in statewide ballot pamphlets.

Summary of estimate by Legislative Analyst and Director of Finance on fiscal impact on state and local governments: Increased state revenues from higher business taxes of approximately \$1.7 billion annually, with the proceeds used for transportation purposes.

The proponents, Roberta B. Johansen and James C. Harrison, are the same as for the above measure. However, because it is a statutory initiative, their signature requirement is 373,816, equal to five percent of the total votes cast for governor in the 2002 gubernatorial election. The 150-day deadline to circulate petitions for this measure is August 19, 2005.

**CORPORATE AND COMMERCIAL PROPERTY TAX INCREASE. REDUCTION IN SALES TAX. INITIATIVE CONSTITUTIONAL AMENDMENT AND STATUTE.**

**Secretary of State #1122; Attorney General #SA2005RF0043.**

Increases taxes on corporations and commercial property; reduces state sales/use taxes by equivalent amount. Amends Proposition 13 to tax commercial property at current market value. Creates oil extraction tax. Increases tax on insurers' premiums. Increases general corporate income tax/alternative minimum corporate tax. Establishes graduated tax on "S" corporation income over \$100,000. Limits carryover credits available to reduce corporate taxes. Limits corporate tax deductions for energy drilling/development costs. Subjects certain foreign business income to state taxation. Requires budget summary in statewide ballot pamphlets.

Summary of estimate by Legislative Analyst and Director of Finance of fiscal impact on state and local governments: Potential increase in local government revenues of about \$1.3 billion annually coupled with increased state spending obligations of a similar amount. Increased property tax and income tax payments by businesses, offset by a commensurate amount of sales tax reductions for individuals and businesses.

Again, the proponents are Roberta B. Johansen and James C. Harrison, both of Remcho, Johansen and Purcell. They must collect 598,105 signatures of registered voters, equal to eight percent of the total votes cast for governor in the 2002 gubernatorial election, in order to qualify this measure. Their 150-day deadline to circulate petitions is August 19, 2005.

For a copy of the complete text, title & summary, and circulation calendar for each measure, please contact the Secretary of State's Press Office at 916-653-6575.